

THE ABBEYFIELD SALTASH SOCIETY LIMITED

ANNUAL REPORT

YEAR ENDED 31 JULY 1996

COMPANY NUMBER: 1117696



FRANCIS CLARK

THE ABBEYFIELD SALTASH SOCIETY LIMITED

ANNUAL REPORT

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OFFICERS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

Excutive Committee:

E R Distin	Chairman
W J Walton	Treasurer
D W Godfrey	
G Boston	
D Owen	
B Parker	
M Tomaszewska	
B Hearl	
H Lyne	
B Abbercrombie	

Secretary: T Pawley

Auditors: Francis Clark
Chartered Accountants
31 Houndiscombe Road
Mutley
PLYMOUTH

Bankers: Barclays Bank plc

Solicitors: Blight, Broad and Skinnard

Registered Office: Chichester House
27 St Stephens Road
SALTASH

REPORT OF THE EXECUTIVE COMMITTEE

YEAR ENDED 31 JULY 1996

The Executive Committee submits its annual report and audited financial statements for the Society for the year ended 31 July 1996.

1. PRINCIPAL ACTIVITY

The principal activity of the Society is to provide accommodation for lonely and elderly people in accordance with the aims and principles of The Abbeyfield Society Limited. These activities fall wholly within hostel housing activities as defined in the Housing Act 1974. The Society continues to provide accommodation for five residents at Chichester House, 27 St Stephens Road, Saltash and seven residents at Cresta House, 40 Callington Road, Saltash.

2. STATUS

The Society is "A Company Limited by Guarantee having no share capital" and with solely charitable objectives. It is a registered charity (number 266201).

3. RESULTS

The results for the year are set out in the income and expenditure account on page 6. The committee considers that the state of affairs of the Society is satisfactory.

4. FIXED ASSETS

Note 3 summarises the changes to the amounts of cost and depreciation on the freehold properties and fixtures and fittings. The committee is of the opinion that there is no significant difference between the book cost and market value for the existing use of the freehold properties.

5. EXECUTIVE COMMITTEE

The members of the Executive Committee who served during the year were:

E R Distin (Chairman), W J Walton (Treasurer), D W Godfrey (deceased December 1995), G Boston, D Owen, B Parker, M Tomaszewska, B Hearl, H Lyne, B Abbercrombie.

6. AUDITORS

A resolution for the re-appointment of Francis Clark as auditors will be proposed at the annual general meeting.

FRANCIS CLARK

BALANCE SHEET

YEAR ENDED 31 JULY 1996

	Notes	£	1996 £	£	1995 £
TANGIBLE FIXED ASSETS					
Housing land and buildings cost	3		201,809		201,809
Less: HAG	3		84,895		84,895
			<u>116,914</u>		<u>116,914</u>
Improvements to property	3		16,355		-
Fixtures and fittings	3		6,414		5,479
			<u>139,683</u>		<u>122,393</u>
CURRENT ASSETS					
Debtors	4	2,911		5,719	
Cash at bank		36,323		34,069	
		<u>39,234</u>		<u>39,788</u>	
CURRENT LIABILITIES					
Creditors due within one year	5	1,701		1,402	
NET CURRENT ASSETS			<u>37,533</u>		<u>38,386</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>177,216</u>		<u>160,779</u>
REVENUE RESERVE	6		149,873		133,436
DESIGNATED PROPERTY MAINTENANCE RESERVE	7		27,343		27,343
			<u>177,216</u>		<u>160,779</u>

These financial statements were approved by the Committee on

12th December 1996

Chairman - E R Distin

Treasurer - W J Walton

FRANCIS CLARK

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 JULY 1996

	Note	1996 £	1995 £
HOUSING ACTIVITIES			
TURNOVER	8	64,011	55,795
OPERATING COSTS	11	(48,978)	(48,409)
OPERATING SURPLUS		15,033	7,386
INTEREST RECEIVABLE		1,404	855
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		16,437	8,241
TAXATION		-	-
SURPLUS FOR THE YEAR	12	16,437	8,241
TRANSFER FROM DESIGNATED PROPERTY MAINTENANCE RESERVE	7	-	-
SURPLUS RETAINED AND TRANSFERRED TO REVENUE RESERVE	6	16,437	8,241

The Society's only activity is the provision of hostel accommodation.

The Society has no recognised surpluses or deficits other than the surplus for the year.

The Society's results derive from continuing activities.

There is no material difference between the retained surplus for the year on ordinary activities stated above and its historical cost equivalent.

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 JULY 1996

1. STATUS OF SOCIETY

The Abbeyfield Saltash Society Limited is registered under the Companies Act and is a registered charity.

The company is one limited by guarantee and not having a share capital in accordance with the Companies Act 1985. Every member of the company undertakes to guarantee the liabilities of the company up to an amount not exceeding one pound each.

2. ACCOUNTING POLICIES

These accounts are prepared under the historical cost convention and are in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice (the SORP) issued by the National Federation of Housing Associations, the Welsh Federation of Housing Associations and the Scottish Federation of Housing Associations, and with the Registered Housing Associations (Accounting Requirements) Order 1992.

a) Housing Association Grants (HAGs)

HAGs are made by the Department of the Environment and are utilised to reduce the amount of mortgage loans to a level that can be financed from the equivalent fair rental income available. The grants are made direct to the lending authority and are reflected in the Society's accounts only when the payment has been made and the relevant mortgage loan reduced.

b) Housing, Land and Buildings: HAG - Assisted Schemes

Cost, irrespective of the source of finance, includes costs of acquisition, development expenditure, interest on mortgage and other loan financing up to date of completion of project for occupation, and other costs if these are covered by a HAG grant.

c) Housing, Land and Buildings: Other Schemes

Cost includes acquisition and development expenditure, and interest on loan financing up to the date of completion of project for occupation.

d) Fixtures, Fittings and Equipment

Assets donated to the Society are not included in the balance sheet, other assets are included at cost.

e) Depreciation

Fixed assets are depreciated at the following rates:

Freehold property	-	Nil
Fixtures & fittings	-	10% of written down value

No depreciation is provided on freehold property. It is the Association's policy to maintain its buildings in such a condition that the value is not impaired by the passage of time. Such expenditure is charged to surpluses in the year in which it is committed. As a consequence any element of depreciation would, in the opinion of the members, be immaterial and no provision has been made.

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 JULY 1996

f) Donations

Donations are recorded in the financial statements according to the period in which they are received.

g) Apportionment of Management Expenses (Note 11)

Direct employee, administration and operating costs have been apportioned to the property revenue account and the relevant sections of the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in these accounts.

h) Pension Costs

Retirement benefits for certain employees of the Society are provided by a defined contribution scheme, which is funded by contributions from the Society and employees. Payments are made to a pension trust which is financially separate from the Society. These payments are made in accordance with periodic calculations by professionally qualified actuaries. Payments are charged against income in order to provide for the expected pension costs over the service lives of employees in the scheme, such that the regular pension cost is a substantially level percentage of current and future pensionable payroll in the light of current actuarial assumptions.

3. FIXED ASSETS

	Freehold property £	Improvements to Property £	Fixtures & fittings £	Total £
COST				
At 1 August 1995	201,809	-	7,420	209,229
Additions	-	16,355	1,648	18,003
At 31 July 1996	201,809	16,355	9,068	227,232
HOUSING ASSOCIATION GRANT				
At 1 August 1995	84,895	-	-	84,895
Received during year	-	-	-	-
At 31 July 1996	84,895	-	-	84,895
DEPRECIATION				
At 1 August 1995	-	-	1,941	1,941
Charge for year	-	-	713	713
At 31 July 1996	-	-	2,654	2,654
NET BOOK VALUE				
At 31 July 1996	116,914	16,355	6,414	139,683
At 31 July 1995	116,914	-	5,479	122,393

No assets of greater than nominal value have been donated during the current year.

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 JULY 1996

4. DEBTORS: Due within one year	1996 £	1995 £
Rent arrears	391	391
Prepayments	2,520	5,328
	<u>2,911</u>	<u>5,719</u>
5. CREDITORS: Due within one year		
Accruals	1,701	1,254
PAYE and National Insurance	-	148
	<u>1,701</u>	<u>1,402</u>
6. REVENUE RESERVE		£
Balance at 1 August 1995		133,436
Surplus retained for the year		16,437
Balance as at 31 July 1996		<u>149,873</u>
7. DESIGNATED PROPERTY MAINTENANCE RESERVE	1996 £	1995 £
Balance at 1 August 1995	27,343	27,343
Transfer to revenue reserves	-	-
Balance at 31 July 1996	<u>27,343</u>	<u>27,343</u>
8. TURNOVER		
Residential charges receivable	68,231	68,520
Losses arising from vacancies	(4,220)	(13,075)
Net income from residential charges	<u>64,011</u>	<u>55,445</u>
Other income	-	350
	<u>64,011</u>	<u>55,795</u>
9. EMPLOYEES COSTS		
Salaries: Housekeepers	10,360	10,352
Housekeepers pension costs	731	475
Costs: Domestic Help	6,971	6,649
	<u>18,062</u>	<u>17,476</u>

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 JULY 1996

9. EMPLOYEES COSTS - CONTINUED

	1996 Number	1995 Number
Average number of persons employed during year	3	3

10. DIRECTORS EMOLUMENTS

No remuneration was paid to any of the Society's directors during the year (1995: £Nil).

11. OPERATING COSTS

	Management £	Services £	1996 Current Maintenance £	Finance & Maintenance £	Total £	1995 Total £
Insurances	1,368	-	-	-	1,368	1,161
Membership fee	-	-	-	1,593	1,593	1,384
Audit and accountancy	-	-	-	617	617	558
Secretary's honorarium	-	-	-	-	-	-
Employee costs	-	18,062	-	-	18,062	17,476
Food and other household costs	-	14,110	-	-	14,110	12,723
Rates	-	1,370	-	-	1,370	1,100
Water rates	-	1,833	-	-	1,833	2,038
Heat and light	-	3,752	-	-	3,752	3,841
Telephone	-	546	-	-	546	640
Depreciation	-	713	-	-	713	609
Repairs and renewals	-	-	3,696	-	3,696	5,053
Postage, stationery and printing	-	515	-	-	515	158
Other expenditure	-	-	-	803	803	1,668
	<u>1,368</u>	<u>40,901</u>	<u>3,696</u>	<u>3,013</u>	<u>48,978</u>	<u>48,409</u>
	79	2,594	340	(3,013)	-	-
	<u>1,447</u>	<u>43,495</u>	<u>4,036</u>	<u>-</u>	<u>48,978</u>	<u>48,409</u>

12. SURPLUS FOR THE YEAR

The surplus for the year is after charging:

	1996 £	1995 £
Audit fee	525	500
Depreciation written off tangible fixed assets	713	609

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31 JULY 1996

13 STATEMENT OF HOUSING ADMINISTRATION COSTS

Service Income, Housing Corporation Allowances
& Operating Costs

Hostel Accommodation (12 Units)	Service Income £	Housing Corporation Allowances £	Operating Costs £	Surplus (Deficit) £
Services	64,011	-	43,495	20,516
Management	-	2,768	1,447	1,321
Day to day repairs and maintenance	-	760	4,036	(3,276)
Cyclical repairs and maintenance	-	908	-	908
	<u>64,011</u>	<u>4,436</u>	<u>48,978</u>	<u>19,469</u>